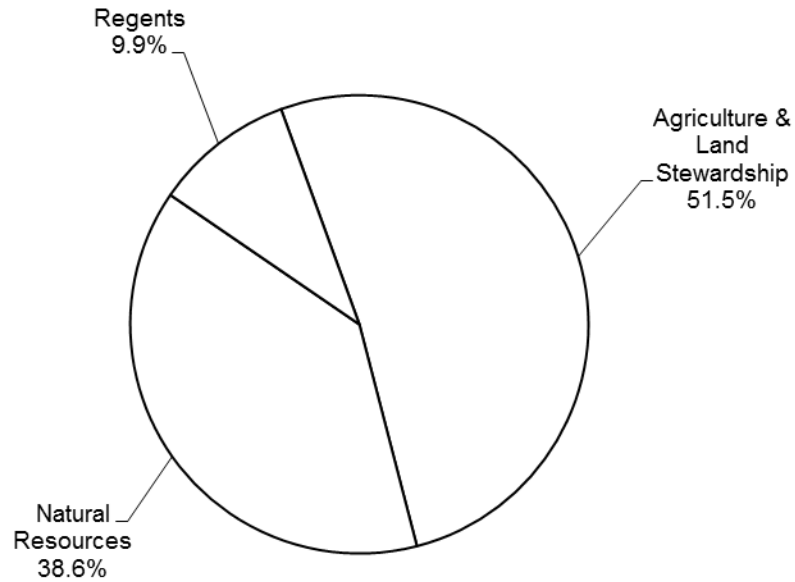


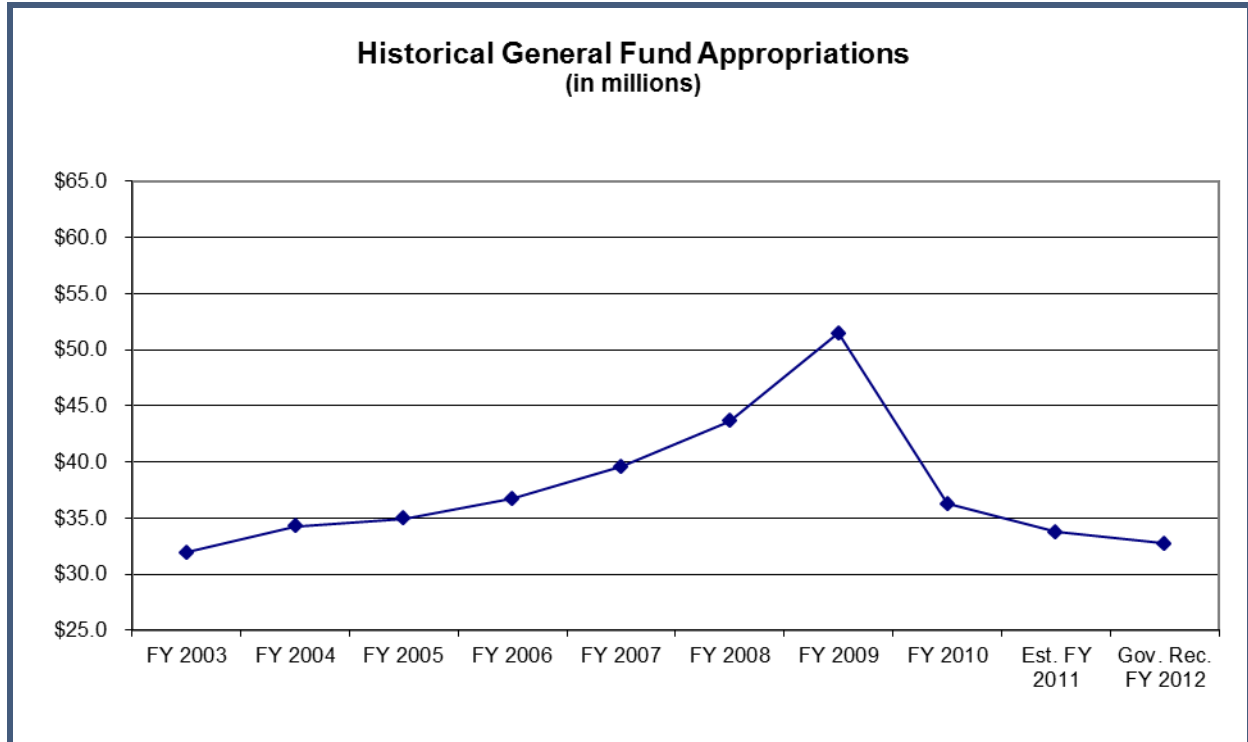
AGRICULTURE AND NATURAL RESOURCES APPROPRIATIONS SUBCOMMITTEE

FY 2012 General Fund Governor's Recommendations



FY 2012 General Fund Governor's Recommendations

| | | |
|--------------------------------|----|-------------------|
| Agriculture & Land Stewardship | \$ | 16,872,308 |
| Natural Resources | | 12,641,688 |
| Regents | | 3,237,636 |
| | \$ | <u>32,751,632</u> |



FY 2012 GOVERNOR'S RECOMMENDATIONS

Department of Agriculture and Land Stewardship

The Department of Agriculture and Land Stewardship (DALs) was created in 1923 to oversee agriculture in the State. Land stewardship functions were added in 1986. The Department has two operating divisions: the Consumer Protection and Industry Services Division and the Soil Conservation Division.

The Governor is recommending FY 2012 General Fund appropriations totaling \$16.9 million. This is no change compared to estimated FY 2011. The Governor is also recommending FY 2012 other fund appropriations totaling \$14.3 million. This is an increase of \$3.6 million (33.6%) compared to estimated FY 2011.

General Fund Recommendations

| | Estimated FY 2011 | Gov Rec FY 2012 | Gov Rec vs Est. FY 2011 |
|--|----------------------|----------------------|----------------------------|
| <u>Agriculture and Land Stewardship</u> | | | |
| Administrative Division | \$ 16,872,308 | \$ 16,872,308 | \$ 0 |
| Total Agriculture and Land Stewardship | <u>\$ 16,872,308</u> | <u>\$ 16,872,308</u> | <u>\$ 0</u> |

Other Fund Recommendations

| | Estimated FY 2011 | Gov Rec FY 2012 | Gov Rec vs Est. FY 2011 |
|---|----------------------|----------------------|----------------------------|
| <u>Agriculture and Land Stewardship</u> | | | |
| So. Iowa Conservation & Dev - EFF | \$ 250,000 | \$ 225,000 | \$ -25,000 |
| Agricultural Drainage Wells - EFF | 1,250,000 | 875,000 | -375,000 |
| Watershed Protection Fund - EFF | 1,500,000 | 900,000 | -600,000 |
| Farm Management Demo - EFF | 750,000 | 725,000 | -25,000 |
| Cost Share - EFF | 1,050,000 | 6,300,000 | 5,250,000 |
| Conservation Reserve Prog - EFF | 1,300,000 | 1,000,000 | -300,000 |
| Conservation Reserve Enhance - EFF | 1,500,000 | 1,000,000 | -500,000 |
| Soil & Water Conservation - EFF | 1,751,600 | 2,000,000 | 248,400 |
| Fuel Inspection - UST | 250,000 | 0 | -250,000 |
| Native Horse and Dog Program | 305,516 | 305,516 | 0 |
| Motor Fuel Inspection - RFIF | 300,000 | 500,000 | 200,000 |
| Total Agriculture and Land Stewardship | \$ 10,207,116 | \$ 13,830,516 | \$ 3,623,400 |
| <u>Loess Hills Dev. and Conservation</u> | | | |
| Loess Hills - EFF | \$ 500,000 | \$ 475,000 | \$ -25,000 |
| Total Agriculture and Land Stewardship | \$ 10,707,116 | \$ 14,305,516 | \$ 3,598,400 |

Changes include:

- An increase of \$200,000 for the Motor Fuel Inspection Program.
- An increase of \$5.3 million for the Soil Conservation Cost Share Fund.
- An increase of \$248,000 for the Soil and Water Conservation Fund.
- A decrease of \$500,000 for the Conservation Reserve Enhancement Protection Fund.
- A decrease of \$600,000 for the Watershed Protection Fund.
- A decrease of \$25,000 for the Farm Management Demonstration Program.
- A decrease of \$375,000 for the Agricultural Drainage Wells Program.
- A decrease of \$300,000 for the Conservation Reserve Program.
- A decrease of \$25,000 for the Southern Iowa Conservation and Development Authority.
- A decrease of \$25,000 for the Loess Hills Development and Conservation Authority.

Issues

Soil and Water Conservation Cost Share – The Department works with Soil and Water Conservation Districts to identify problem watersheds to reduce soil erosion, protect water quality, provide flood reduction, and protect natural resources. The Soil Conservation Cost Share Fund provides funding to landowners for projects that address these issues. In addition, the landowner provides 50.0% of the funding for the project. The Governor is recommending funding of \$6.3 million from the Environment First Fund for FY 2012. This is an increase of \$5.3 million compared to estimated FY 2011. For FY 2011, funding of \$6.0 million was appropriated to the Department for this Program from the Revenue Bonds Capitals II Fund.

Mississippi River Basin Healthy Watersheds Initiative – The Initiative was established by the federal Natural Resources Conservation Service (NRCS) to improve the health of the Mississippi River Basin by targeting watersheds and implementing conservation practices that avoid, control, and trap nutrient runoff while maintaining agricultural productivity. The 13 participating States are Arkansas, Kentucky, Illinois, Indiana, Iowa, Louisiana, Minnesota, Mississippi, Missouri, Ohio, South Dakota, Tennessee, and Wisconsin. In November, total funding of \$43.2 million was awarded, and Iowa will receive \$8.4 million in federal funds for 18 demonstration projects in 15 Iowa counties.

Department of Natural Resources

The Department of Natural Resources (DNR) is responsible for maintaining State parks and forests, protecting the environment, and managing energy, fish, wildlife, and land and water resources in Iowa.

The Governor is recommending FY 2012 General Fund appropriations totaling \$12.6 million. This is a decrease of \$807,000 (6.0%) compared to estimated FY 2011 to reduce operations. The Governor is recommending other fund appropriations of \$42.7 million. This is a decrease of \$650,000 (1.5%) compared to estimated FY 2011. The Governor is also recommending \$19.5 million for capital projects. This is a decrease of \$3.4 million (14.8%) compared to estimated FY 2011.

General Fund Recommendations

| | Estimated FY 2011 | Gov Rec FY 2012 | Gov Rec vs Est. FY 2011 |
|---|------------------------------|----------------------------|------------------------------------|
| <u>Natural Resources, Dept. of</u> | | | |
| Natural Resources Operations | \$ 13,448,604 | \$ 12,641,688 | \$ -806,916 |
| Total Natural Resources, Dept. of | <u>\$ 13,448,604</u> | <u>\$ 12,641,688</u> | <u>\$ -806,916</u> |

Other Fund Recommendations

| | Estimated FY 2011 | Gov Rec FY 2012 | Gov Rec vs Est. FY 2011 |
|---|------------------------------|----------------------------|------------------------------------|
| <u>Natural Resources, Dept. of</u> | | | |
| GWF - Storage Tanks Study | \$ 100,303 | \$ 100,303 | \$ 0 |
| GWF - Household Hazardous Waste | 447,324 | 447,324 | 0 |
| GWF - Well Testing Admin 2% | 62,461 | 62,461 | 0 |
| GWF - Groundwater Monitoring | 1,686,751 | 1,686,751 | 0 |
| GWF - Landfill Alternatives | 618,993 | 618,993 | 0 |
| GWF - Waste Reduction and Assistance | 192,500 | 192,500 | 0 |
| GWF - Solid Waste Authorization | 50,000 | 50,000 | 0 |
| GWF - Geographic Information System | 297,500 | 297,500 | 0 |
| Fish & Game- DNR Admin Expenses | 38,793,154 | 38,793,154 | 0 |
| Snowmobile Registration Fees | 100,000 | 100,000 | 0 |
| Administration Match - UST | 200,000 | 200,000 | 0 |
| Database Modification - UST | 100,000 | 0 | -100,000 |
| Technical Tank Review - UST | 200,000 | 200,000 | 0 |
| DNR Facility Rent-CRF | 300,000 | 0 | -300,000 |
| State Parks Volunteer Activities - EFF | 250,000 | 0 | -250,000 |
| Total Natural Resources, Dept. of | \$ 43,398,986 | \$ 42,748,986 | \$ -650,000 |
| <u>Natural Resources Capital</u> | | | |
| GIS Information for Watershed | \$ 195,000 | \$ 195,000 | \$ 0 |
| Water Quality Monitoring | 2,955,000 | 2,955,000 | 0 |
| Volunteers and Keepers of Land | 100,000 | 100,000 | 0 |
| Animal Feeding Operations | 608,400 | 420,000 | -188,400 |
| Air Quality Monitoring - ambient | 425,000 | 425,000 | 0 |
| Water Quality Protection | 500,000 | 500,000 | 0 |
| REAP | 15,000,000 | 11,500,000 | -3,500,000 |
| Water Quantity | 495,000 | 495,000 | 0 |
| Resource Conservation and Development | 150,000 | 0 | -150,000 |
| Park Operations & Maintenance | 2,470,000 | 2,910,000 | 440,000 |
| Total Natural Resources Capital | \$ 22,898,400 | \$ 19,500,000 | \$ -3,398,400 |

Changes include:

- A decrease of \$3.5 million to the Resource Enhancement and Protection Fund (REAP).
- A decrease of \$250,000 for the State Park Volunteers Program.
- An increase of \$440,000 for State Park operations and maintenance.
- A decrease of \$150,000 for the Resource Conservation and Development Authority.
- A decrease of \$188,000 for regulation of animal feeding operations.
- A decrease of \$100,000 for the modification of the underground storage tank database.

Issues

Mid-Year Reduction – Estimated FY 2011 includes a mid-year reduction of \$2.1 million, resulting from provisions of HF 2531 (FY 2011 Standing Appropriations Act).

Agriculture and Natural Resources Appropriations Subcommittee

Cash Reserve Fund Transfer – In December 2010, Governor Culver approved a transfer from the Cash Reserve Fund to backfill some of the mid-year reductions. The Department of Natural Resources received \$1.1 million, resulting in a net mid-year reduction of \$1.1 million. Transfers are not reflected in the LSA's appropriations tracking.

Baiting and Feeding of Wildlife – During the 2009-2010 hunting season, there were over 3,600 Iowa whitetail deer samples tested for the Chronic Wasting Disease (CWD) at the National Veterinary Services Lab in Ames, and none had any signs of the CWD. The Department will introduce legislation on the regulation of baiting and feeding of wildlife, as CWD is spread when animals are in close proximity.

Fish and Wildlife Trust Fund – The Agriculture and Natural Resources Appropriations Subcommittee directed the DNR to submit a report detailing revenues and expenditures of the Fish and Wildlife Trust Fund to the Governor and the General Assembly by November 15, 2010. The DNR submitted the report and held informational meetings around the State to provide more information about the Fund. The report is available at: http://www.iowadnr.gov/files/legacy_report.pdf.

State Park Operations – The DNR estimated there were over 14.0 million visitors and 715,000 campers at the 84 State Parks in FY 2009. Due to General Fund budget reductions, seasonal staff was reduced and resulted in a reduction of routine maintenance such as cutting the grass and trash removal. Although numerous volunteer organizations have assisted the DNR in performing these tasks, many parks are not being maintained as well as in previous years. *The Governor is recommending funding of \$2.9 million from the Environment First Fund for State Park maintenance and operations. This is an increase of \$440,000 compared to estimated FY 2010.*

Board of Regents

The Board of Regents oversees the three State universities, including Iowa State University (ISU). The Veterinary Diagnostic Laboratory at ISU has historically received funding through the Agriculture and Natural Resource Appropriations Subcommittee.

The Governor is recommending a \$3.2 million appropriation for FY 2012 for the Veterinary Diagnostic Laboratory. This is a decrease of \$207,000 (6.0%) compared to estimated FY 2011.

General Fund Recommendations

| | Estimated FY 2011 | Gov Rec FY 2012 | Gov Rec vs Est. FY 2011 |
|--|------------------------------|----------------------------|------------------------------------|
| <u>Regents, Board of</u> | | | |
| ISU - Veterinary Diagnostic Laboratory | \$ 3,444,294 | \$ 3,237,636 | \$ -206,658 |
| Total Regents, Board of | \$ 3,444,294 | \$ 3,237,636 | \$ -206,658 |

Environment First Fund

The Environment First Fund was created by the 2000 General Assembly to provide funding for environmental programs. A standing appropriation of \$35.0 million was established in FY 2001 for the Fund from the Rebuild Iowa Infrastructure Fund (RIIF). The standing appropriation was increased to \$40.0 million for FY 2008 and \$42.0 million for FY 2009. The Agriculture and Natural Resources

Appropriations Subcommittee makes recommendations to the General Assembly regarding programs that should receive appropriations from the Fund.

The Governor is recommending funding of \$33.0 million from the Environment First Fund for the Department of Natural Resources. This is no change compared to estimated FY 2011. For the increase related to the Department of Agriculture and Land Stewardship see the discussion under Other Fund Recommendations for the Department included earlier in this Section of the document.

| | Estimated FY 2011 | Gov Rec FY 2012 | Gov Rec vs Est. FY 2011 |
|---|----------------------|----------------------|----------------------------|
| <u>Dept. of Agriculture and Land Stewardship</u> | | | |
| Conservation Reserve Enhancement | \$ 1,500,000 | \$ 1,000,000 | \$ -500,000 |
| Watershed Protection Fund | 1,500,000 | 900,000 | -600,000 |
| Farm Management Demonstration | 750,000 | 725,000 | -25,000 |
| Agricultural Drainage Wells | 1,250,000 | 875,000 | -375,000 |
| Cost Share | 1,050,000 | 6,300,000 | 5,250,000 |
| Soil and Water Conservation | 1,751,600 | 2,000,000 | 248,400 |
| Conservation Reserve Program | 1,300,000 | 1,000,000 | -300,000 |
| So. Iowa Conservation & Dev. Authority | 250,000 | 225,000 | -25,000 |
| Loess Hills Authority | 500,000 | 475,000 | -25,000 |
| Total Dept. Agriculture and Land Steward. | \$ 9,851,600 | \$ 13,500,000 | \$ 3,648,400 |
| <u>Dept. of Natural Resources</u> | | | |
| REAP | \$ 15,000,000 | \$ 11,500,000 | \$ -3,500,000 |
| State Park Volunteers | 250,000 | 0 | -250,000 |
| Volunteers and Keepers of Land | 100,000 | 100,000 | 0 |
| Park Operations & Maintenance | 2,470,000 | 2,910,000 | 440,000 |
| GIS Information for Watershed | 195,000 | 195,000 | 0 |
| Water Quality Monitoring | 2,955,000 | 2,955,000 | 0 |
| Water Quality Protection | 500,000 | 500,000 | 0 |
| Air Quality Monitoring | 425,000 | 425,000 | 0 |
| Animal Feeding Operations | 608,400 | 420,000 | -188,400 |
| Water Quantity | 495,000 | 495,000 | 0 |
| Resource Conservation and Development | 150,000 | 0 | -150,000 |
| Total Dept. of Natural Resources | \$ 23,148,400 | \$ 19,500,000 | \$ -3,648,400 |
| Total Environment First Fund | \$ 33,000,000 | \$ 33,000,000 | \$ 0 |

INTERIM COMMITTEES, MEETINGS, AND PUBLICATIONS

Levee and Drainage District Law Study Committee

The Levee and Drainage District Study Committee was assigned the charge to “Review Iowa law on levee and drainage districts and make recommendations for addressing recent court rulings interpreting the law.” The Committee met on December 15, 2010, and made the following recommendations:

- The General Assembly should amend Iowa’s drainage laws to require that any notice by the district’s governing board to any governmental entity (e.g., DNR) be delivered to the head of the entity by a process requiring confirmation of delivery including signature (e.g., a form of certified mail).

- The General Assembly should consider and enact legislation clarifying that a state-owned lake is to be classified and assessed to account for the burdens imposed on a drainage district when required to account for the lake's excess water.
- The Executive Council and the Attorney General's Office should reexamine their policies regarding the payment of assessments imposed on state-owned lakes located within a levee or drainage district and make all necessary payments to districts that have already submitted claims.
- The General Assembly should authorize the Office of Citizens' Aide/Ombudsman to provide mediation services to assist in settling the dispute involving the use of residential neighbors' land by the governing board of trustees in Drainage District 7 located in Muscatine County.
- The General Assembly should consider a program administered by the Department of Agriculture and Land Stewardship and consider enacting legislation that provides for the compilation and publication of information available on the Internet to allow the public to determine if land is subject to a drainage district easement.

Lake Delhi Task Force

The dam at Lake Delhi (near Manchester in Delaware County) breached on July 24, 2010, after a massive rainfall occurred. Governor Culver created the Lake Delhi Task Force with Executive Order Number 25 on August 6, 2010. The Task Force was assigned to:

- Identify funding resources for recovery and rebuilding efforts.
- Establish principles and policies for public investment that result in improved local and regional economic development and public benefit.
- Take the lead in providing long-term regional and community planning efforts and identifying best practices for managing the Maquoketa River watershed, reducing future flooding damage, and maintaining or improving water quality.
- Identify federal and state legal issues that need to be addressed with regard to the reconstruction of the Lake Delhi dam and the possible use for hydroelectric generation.
- Ensuring transparency and accountability in the investment of public recovery and rebuilding efforts.

The Task Force met several times and appointed four subcommittees that included: Finance, Economic and Community Development, Environment, and Legal. The subcommittees included their findings in the final report that was discussed at the final meeting held on November 30, 2010. The final report is available at: <http://www.iowalifechanging.com/lakedelhi/>.

In addition, the dam breach was reviewed by an independent panel that investigated the area and included:

- William Fiedler, federal Department of the Interior, Bureau of Reclamation.
 - Neil Schwanz, federal Army Corps of Engineers.
 - Wayne King, Federal Energy Regulatory Commission (FERC).
-

A meeting was held on December 1, 2010, to discuss the findings of the panel. King reported that the two main reasons for the breach of the dam were due to internal erosion and excessive water flowing over the dam. The report issued by the independent panel included several recommendations and is available at: http://www.iowadnr.gov/water/floodplain/files/delhi_report.pdf

Watershed Planning Advisory Council

The Watershed Planning Advisory Council was created in HF 2459 (FY 2011 Watershed Planning Advisory Council Act) and required an annual report with recommendations to improve water quality and to mitigate floods. The first annual report to the Governor, the General Assembly, the Department of Agriculture and Land Stewardship, the Department of Natural Resources, and the Water Resources Coordinating Council was submitted in January 2011. For a copy of the report, refer to the following website: http://www.legis.iowa.gov/DOCS/LSA/SC_Fisc/2011/SFDFK000.PDF.

Watershed Improvement Review Board

The Watershed Improvement Review Program was established during the 2005 General Assembly in SF 200 (Agriculture Powers, Duties, and Watershed Improvement Act). The legislation also created a Watershed Improvement Review Fund and a Watershed Improvement Review Board. The purpose of the Board is to review applications and award grants for projects that will encourage public participation and input for determining priorities to improve the State's water quality. Beginning in FY 2006, \$5.0 million has been appropriated each year for grants.

Funding for the Watershed Improvement Review Fund is appropriated to the State Treasurer each year. The Governor did not recommend funding for the Program. For more information on the Watershed Improvement Review Board, refer to the following website: <http://www.iowaagriculture.gov/IWIRB.asp>.

LSA Publications

The following *Fiscal Topics* and *Issue Reviews* have been issued by the LSA that relate to the Agriculture and Natural Resources Appropriations Subcommittee:

- *Issue Review:* [Emerald Ash Borer](#)
- *Issue Review:* [Cedar Rock State Park](#)
- *Fiscal Topic:* [Air Contaminant Source Fund](#)

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